

Message Text

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ACTION INR-10

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FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC PRIORITY 2645

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY PANAMA

C O N F I D E N T I A L HELSINKI 1304

E.O. 11652: GDS

TAGS: PINR, ETRD, EIND, ENRG, FI, OVIP (RANTALA, EERO)

SUBJECT: DATA ON FINNISH MINISTER FOR COMMERCE AND INDUSTRY

REF: (A) STATE 94220, (B) STATE 104655

1. SUMMARY. FINNISH MINISTER FOR COMMERCE AND INDUSTRY EERO RANTALA WILL VISIT WASHINGTON MAY 17-20 FOLLOWING STOPS IN VENEZUELA, COLUMBIA, AND PANAMA. HE IS A YOUNG, FAIRLY INFLUENTIAL MEMBER OF FINLAND'S KEY PARTY, THE SOCIAL DEMOCRATS (SDP). THE PURPOSES OF HIS STOP IN WASHINGTON ARE NOT YET CLEAR. IT IS TAKING PLACE AT THE URGING OF THE FINNISH EMBASSY. END SUMMARY.

2. MINISTER FOR COMMERCE AND INDUSTRY EERO RANTALA WILL VISIT WASHINGTON MAY 17-20. ARRIVING WITH HIM, FROM A TRADE MISSION TO VENEZUELA, COLUMBIA, AND PANAMA, WILL BE: CHRISTER GRANSKOG, POLITICAL SECRETARY TO MINISTER RANTALA; KALERVO HENTILA, DIRECTOR-GENERAL OF THE MINISTRY FOR COMMERCE AND INDUSTRY'S TRADE DEPARTMENT; PAULI OPAS, DEPUTY CHIEF OF MFA'S COMMERCIAL POLICY DIVISION; M. JAASKE-LAINEN, MFA OFFICIAL AND TRIP COORDINATOR; AND TANKMAR HORN, CHAIRMAN OF THE BOARD OF WARTSILA. JOINING THE GROUP DIRECTLY FROM FINLAND WILL BE ERKKI VAARA, CHIEF
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OF THE FINNISH ENERGY DEPARTMENT, IN WASHINGTON ON AN IVP GRANT; AND PENTTI ALAJOKI, MANAGING DIRECTOR AND CHAIRMAN OF THE BOARD OF FINLAND'S LARGEST POWER COMPANY, THE STATE-OWNED, IMATRA VOIMA OY. THE PURPOSES OF THE GROUP'S STOP IN WASHINGTON ARE NOT YET CLEAR. WE HAVE BEEN TOLD BY MFA OFFICIALS THAT THE FINNISH EMBASSY IN WASHINGTON IS THE FORCE BEHIND THE VISIT.

3. EERO YUJO JUHANI RANTALA, B. 1941, MARRIED WITH ONE CHILD, IS A MEMBER OF THE SOCIAL DEMOCRATIC PARTY (SDP) AND SERVED ONCE BEFORE AS MINISTER FOR COMMERCE AND INDUSTRY IN PRIME MINISTER MARTTI MIETTUNEN'S 1975-76 GOVERNMENT. HE IS A DEPUTY DIRECTOR OF FINLAND'S THIRD LARGEST COOPERATIVE, THE OTK (CENTRAL COOPERATIVE) AND HOLDS A MASTERS IN POLITICAL SCIENCE FROM HELSINKI UNIVERSITY.

A. RANTALA'S POLITICS PLACE HIM TO THE LEFT OF THE PRAGMATIC SOCIAL DEMOCRAT MINISTER OF FINANCE PAUL PAAVELA AND GOVERNOR OF THE BANK OF FINLAND MAUNO KOIVISTO IN TERMS OF COMMITMENT TO APPLY SOCIALIST PRINCIPLES TO GOVERNMENT POLICY. IN TERMS OF INFLUENCE WITHIN THE GOVERNMENT AND PARTY, HE DOES NOT RANK AMONG THE TOP HALF-DOZEN SDP OFFICIALS. HE IS NOT WELL THOUGHT OF BY PRIVATE INDUSTRIALISTS, WHO CONSIDER HIM DOCTRINAIRE. HE HAS HAD CONFLICTS WITH THE CENTRIST PARTIES, AND HIS OWN MINISTRY'S ENERGY DEPARTMENT CHIEF ERKKI VAARA, OVER THE DIRECTION AND CONTROL OF ENERGY POLICY, AS HE HAS SOUGHT TO CONSOLIDATE DECISION-MAKING POWER WITHIN HIS SDP-CONTROLLED MINISTRY. HE HAS BEEN QUOTED AS SAYING THAT TRADE WITH THE WEST HAS BEEN A MAJOR CAUSE OF FINLAND'S ECONOMIC TROUBLES, AND HAS EMPHASIZED THE EXISTENCE OF A TERMINATION CLAUSE IN THE FINLAND-EEC FREE TRADE AGREEMENT. CONFIDENTIAL

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B. RANTALA WILL RETAIN HIS PORTFOLION FOR AS LONG AS THE CURRENT GOVERNMENT STAYS IN OFFICE, I.E. UNTIL MARCH 1979 AT THE OUTSIDE. HE IS A COUNTERBALANCE TO PAAVELA, WHO IS MORE INFLUENTIAL THOUGH LESS POLITICAL. HIS EMPHASIS ON INDUSTRY'S RESPONSIBILITIES FOR THE MAINTENANCE OF EMPLOYMENT MAKES HIM POPULAR WITH LABOR AT A TIME OF HIGH UNEMPLOYMENT. RANTALA OFTEN LEADS PERIODIC FINNISH ECONOMIC NEGOTIATIONS WITH COMMUNIST, WEST EUROPEAN, AND DEVELOPING COUNTRIES. YET HE IS NOT A KEY PLAYER EITHER IN NATIONAL INCOMES NEGOTIATIONS OR IN FORMULATING FISCAL AND MONETARY POLICY. MOREOVER, IMPORTANT TRADE NEGOTIATIONS SUCH AS THE MTN COME UNDER THE PURVIEW OF THE MINISTRY FOR FOREIGN AFFAIRS, NOT COMMERCE AND INDUSTRY.

C. IN DISCUSSIONS WITH EMBASSY OFFICERS RANTALA CARRIES A SENSE OF SINCERITY AND QUIET COMMITMENT. HE SPEAKS SLOWLY WHEN USING ENGLISH. HE WILL CERTAINLY WISH TO DISCUSS ENERGY, A SUBJECT ON WHICH THE FINNS ARE WORTH LISTENING TO IN CERTAIN AREAS, E.G. DISTRICT HEATING. OTHER BILATERAL ISSUES THE FINNS MIGHT BRING UP ARE TREASURY'S RECENTLY INITIATED INVESTIGATION INTO AN ALLEGATION OF SUBSIDIES FOR FINNISH PAPERMAKING

MACHINERY AND CONTINUING PRESSURE FOR WEST COAST LANDING RIGHTS FOR FINNAIR. ICEBREAKERS ARE FOREVER ON THE FINNS' MINDS.

4. THE EMBASSY REQUESTS THAT THE DEPARTMENT EXTEND ALL POSSIBLE COURTESIES TO RANTALA AND HIS GROUP. WHILE THE EMBASSY'S CONTACTS WITH RANTALA HAVE BEEN PLEASANT AND STIMULATING, WE HAVE HAD NO SERIOUS BUSINESS WITH HIM. RANTALA, YOUNG AND IN THE SDP MAINSTREAM, MUST LOOK ON HIS WASHINGTON VISIT AS A TESTING OF USG ATTITUDES.

RIDGWAY

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